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www.x2comm.com

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AZ CORP COMMISSION
DOCUMENT CONTROL

February 21, 2002

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-1347

**Re: Staff's Letter of Sufficiency and First Set of Data Requests to X2Comm, Inc.
dba DC Communications
Docket No. T-04075A-01-1009**

Docket Control:

Enclosed are an original and ten (10) copies of responses to Staff's letter of sufficiency and first set of data request to X2Comm, Inc. dba DC Communications.

Please acknowledge receipt of this filing by date stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided for this purpose.

Please call me at 908-806-4479 should you have further questions regarding this matter.

Sincerely,

Mark Pavol
Secretary/Treasurer

Arizona Corporation Commission

DOCKETED

FEB 25 2002

DOCKETED BY	
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**RESPONSES TO STAFF'S DATA REQUEST TO
X2COMM, INC. DBA DC COMMUNICATIONS
DOCKET NO. T-04075A-01-1009**

1. This statement is correct. X2Comm, Inc. dba DC Communications is requesting authority to provide Resold Long Distance Services.
2. See Attachment A for all owners of the Company and their respective percentages of ownership.
3. The proposed Tariff was provided with the initial Application as Attachment B.
 - Reference to the proposed rates and charges for each service to be provided can be found on pages 27 through 29.
 - Reference to the maximum rates can be found on pages 21 through 26.
 - Reference to the terms and conditions (Rules and Regulations) can be found on pages 9 through 18.
 - Reference to deposits, advances, and/or prepayments can be found on page 15.
4. The Company began its operations in April 2001 and does not have financial statements for a two-year period.
5. The Company uses the fictitious name, Direct Connect Communications in most states, however this name was not available in the State of Arizona, and therefore the Company will use DC Communications in Arizona. This is one in the same company and we have revised the financial statements for purposed of our dba in the State of Arizona.
 - See Attachment C for the corrected Balance Sheet
 - See Attachment C for the corrected Income Statement

The Company has not had an audit performed on it as of this date, therefore will not be able to provide an audited report.
6. See Attachment C for retained earnings account information.

**RESPONSES TO STAFF'S DATA REQUEST TO
X2COMM, INC. DBA DC COMMUNICATIONS
DOCKET NO. T-04075A-01-1009, Cont'd**

7. X2Comm, Inc. dba DC Communications is not a subsidiary.
8. N/A. The Company is not a subsidiary.
9. Copies of the affidavits of publication that the Company has, as required, published legal notice of the application in all counties where services will be provided, will be provided to the Commission once it has been published and the Company receives the affidavits for the newspaper. The Company expects to have this information published within the next 45 days.
10. The Company has a resale agreement with Global Crossings, Inc., however this agreement is considered proprietary and does not allow us to share it with a third party.

ATTACHMENT A

List of Owners and Percentage of Ownership

Shareholder List

Mark Pavol – Sec./Tres./Dir.
1 Cavalier Court
Ringoes, NJ 08551
30% of ownership

Manny Demaio – Pres./Dir.
809 Atkenson Circle
Hillsborough, NJ 08844
30% of ownership

Peter Morrison
43 Reeder Road
New Hope, Pa. 18938
10% of ownership

Daniel Kaufmann
600 W. Germantown Pike
Plymouth Mtg, Pa. 19462
5% of ownership

Robert Salvo
4834 Winterson Court
Doylestown, Pa. 18901
5% of ownership

Drew Tanenbaum
16 Stacey Road
Flemington, NJ 08822
5% of ownership

Beverly Forfar
19 Smith Drive
Point Pleasant, NJ 08742
5% of ownership

Mike Schutz
88 Providence Blvd.
Kendall Park, NJ 08824
5 % of ownership

Paul Telenson
70 Buckland Drive
Hillsborough, NJ 08844
5 % of ownership

ATTACHMENT C

Balance Sheet
Income Statement
Retained Earnings Account Information

DC Communications
Balance Sheet
As of December 31, 2001

Dec 31, 01

ASSETS

Current Assets

Checking/Savings

1001 · Checking-First Union	21,601.44
1002 · Payroll-First Union	-850.91
1004 · LockBox-First Union	53,767.00
1010 · Checking-PNC	30,991.82
Total Checking/Savings	<u>105,509.35</u>

Total Current Assets

105,509.35

Fixed Assets

1500 · Computer Eq-NJ	98,650.00
1510 · Software Costs-NJ	54,425.52
1600 · Computer Eq-FL	10,000.00
1620 · Furniture & Eq-FL	4,802.93

Total Fixed Assets

167,878.45

Other Assets

1800 · Employee Loans	5,000.00
1900 · Security Deposits-AT&T	75,000.00

Total Other Assets

80,000.00

TOTAL ASSETS

353,387.80

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

2600 · Payroll Liabilities

2610 · Federal Withholding	1,598.00
2620 · Fica Payable	2,376.89
2630 · Medicare Payable	555.84
2650 · NJ Withholding Payable	215.94
2690 · FUTA Payable	229.05
2600 · Payroll Liabilities - Other	115.38

Total 2600 · Payroll Liabilities

5,091.10

Total Other Current Liabilities

5,091.10

Total Current Liabilities

5,091.10

Long Term Liabilities

2800 · Note Pay-Emanuel DeMaio	80,000.00
2810 · Note Pay-Pete Morrison	60,000.00
2820 · Note Pay-Daniel Kaufmann	80,000.00
2830 · Note Pay-Paul Telenson	80,000.00
2840 · Note Pay-Beverly Forfar	15,000.00
2850 · Note Pay-Robert Salvo	20,000.00
2860 · Note Pay-Drew Tanenbarn	20,000.00

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Cash Basis

DC Communications
Balance Sheet
As of December 31, 2001

	Dec 31, 01
2870 - Note Pay-Michael Schutz	<u>20,000.00</u>
Total Long Term Liabilities	<u>375,000.00</u>
 Total Liabilities	 380,091.10
 Equity	
3000 - Common Stock	325,000.00
Net Income	<u>-351,703.30</u>
Total Equity	<u>-26,703.30</u>
 TOTAL LIABILITIES & EQUITY	 <u><u>353,387.80</u></u>

DC Communications
Profit & Loss
July through December 2001

	<u>Jul - Dec 01</u>
Income	
4000 · Sales-Direct Bill	54,030.37
Total Income	<u>54,030.37</u>
Cost of Goods Sold	
5010 · AT&T-ANC-Interstate	45,706.32
5990 · Bad Debs-Other	10.00
Total COGS	<u>45,716.32</u>
Gross Profit	8,314.05
Expense	
6000 · Advertising-NJ	19,742.10
6020 · Bank Charges-NJ	4,709.84
6040 · Computer Supples-NJ	60.00
6070 · Consultants-NJ	2,586.18
6090 · Dues and Subscriptions-NJ	39,459.96
6091 · Dues and Subscriptions-FL	480.75
6150 · Insurance-NJ	3,301.00
6151 · Insurance-FL	3,176.38
6200 · Legal Fees-NJ	21,732.76
6400 · Office Supplies-NJ	14,399.31
6401 · Office Supplies-FL	15,513.51
6500 · Salaries-NJ	32,113.44
6501 · Salaries-FL	103,550.17
6520 · Payroll Taxes-NJ	11,724.98
6550 · Employee Benefits-NJ	7,459.77
6551 · Employee Benefits-FL	791.19
6590 · Temp Help-NJ	2,000.00
6600 · Postage-NJ	1,047.01
6641 · Security-FL	117.70
6700 · Taxes-NJ	399.92
6750 · Travel-NJ	337.27
6760 · Entertainment-NJ	159.39
6800 · Rent-NJ	48,000.00
6801 · Rent-FL	6,776.67
6820 · Utilities-NJ	1,050.44
6821 · Utilities-FL	1,962.25
6850 · Telephone-NJ	10,279.89
6851 · Telephone-FL	7,085.47
Total Expense	<u>360,017.35</u>
Net Income	<u><u>-351,703.30</u></u>

DC Communications
Balance Sheet
As of December 31, 2001

Dec 31, 01

Equity	
3000 - Common Stock	325,000.00
Net Income	<u>-351,703.30</u>
Total Equity	<u>-26,703.30</u>
TOTAL LIABILITIES & EQUITY	<u><u>-26,703.30</u></u>